(G) To examine desirability and the need to sanction any interim relief till the time the recommendations of the Commission are made and accepted by the Government.

Parity on petro prices

594. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether the tax on petrol and diesel ranges from 28 to 33 per cent in the Southern States compared to 6 to 12 per cent in the Northern States;

(b) whether this disparity is due to most of the Northern States opposing the uniform taxation on petrol and diesel; and

(c) what steps the Central Government propose to take to bring parity on petro prices throughout the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Under Entry 54 of the State List of the Constitution, State Sales tax/VAT, being a 'tax on purchase or sale of goods within a State', is a State subject, An Empowered Committee of State Finance Ministers (EC) has been constituted to deliberate upon and decide all matters concerning State Sales Tax/VAT. As per the EC decision, Petrol and Diesel are non-Vatable and subject to 20% floor rate of tax (except that the floor rate for Diesel is 12.5% in case of North-Eastern States, Sikkim and J&K). States may levy taxes at rates higher than the floor rates for these items.

In case of Petrol, all the States/UTs (except Podicherry) are levying Sales Tax/VAT @20% (*i.e.* the Floor Rate) or above. Puducherry is levying Sales Tax @12%. It is not correct to say that only Southern States have high tax rates. A number of States in other parts of the country also have high rates of Sales Tax/VAT on Petro;, Similarly, in case of Diesel also,a number of States in various parts of the country levy tax at rates much higher than the EC approved Floor Rate. However, it is true that some States have deviated from the EC approved Floor Rates and levy tax on Diesel at much lower rates. These States/UTs are Chandigarh, NCT of Delhi, Haryana, Himachal Pradesh, Puducherry and Punjab. The EC has heen trying to persuade these States to raise their tax rate to the level of floor rates. Since State Sales Tax/VAT is a State subject, it is for the States/EC to take necessary steps to bring about uniformity in the rates of tax on Petrol and Diesel.

(c) The retail selling price of petro products differs on account of variation in rate of State Sales Tax/VAT in different States, State-specific irrecoverable taxes, freight charges depending upon distance of depot from refinery and delivery charges from the depot to the retail petrol pump etc. As far as various State Taxes are concerned, it is for the States to take steps to bring about uniformity in tax rates. The Central Government has been playing the role of a facilitator in the tax reform process at the State level.

RBI package for Andhra Pradesh

595. SHRI M.V. MYSURA REDDY: Will the Minister of FINANCE be pleased to state:

(a) the total amount rescheduled by Commercial banks, scheduled banks, regional rural banks, co-operative banks under RBI package dated 24th June, 2004;

(b) the details of interest amount clubbed with principal as on 31st March, 2004 and whether the same accrued as on 30th June, 2006 is covered under the package announced for 16 districts of Andhra pradesh;

(c) whether any additional funds are provided for different components included in the package, or already allotted in the 2006 and 2007 Budgets will be utilised; and

(d) whether recommendations made by National Farmers Commission in their five reports were accepted; if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) During the year 2004-05, the total amount rescheduled by various agencies in Andhra Pradesh is as under:

(i) Commercial Banks	:	Rs. 1363.38 crore
(ii) Regional Rural Banks	:	Rs. 571.70 crore
(iii) Cooperative Banks	:	Rs. 1286.19 crore

(b) The package announced by RBI for 16 districts in the State of Andhra Pradesh includes the following:

(i) The entire interest on overdue loans as on 01-07-2006 will be waived off in the 16 affected districts and all farmers will have no past